

AMENDED IN ASSEMBLY JUNE 21, 1999

AMENDED IN SENATE MAY 19, 1999

AMENDED IN SENATE APRIL 22, 1999

SENATE BILL

No. 930

Introduced by Senator Hughes

(Coauthor: Senator Solis)

(Coauthor: Assembly Member Thomson)

February 25, 1999

An act to add Sections 1747.06 and 1747.9 to the Civil Code, relating to credit cards.

LEGISLATIVE COUNSEL'S DIGEST

SB 930, as amended, Hughes. Credit cards.

Existing law prohibits issuance of a credit card except in response to an oral or written request or application, or as a renewal of, or in substitution for, an accepted credit card. Existing law requires a cardholder to be liable for the unauthorized use of a credit card only if specified conditions are met, including the condition that the unauthorized use occurs before the card issuer has been notified that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise.

This bill would require a credit card issuer that mails an offer or solicitation to receive a credit card and, in response, receives a completed application for a credit card that lists an address that is different from the address on the offer or solicitation or receives a change of address request and a request for an additional card, as specified, to verify the

change of address as specified. The bill would provide that the consumer to whom the offer or solicitation is made would not be liable for the unauthorized use of the credit card if the credit card issuer does not verify the change of address prior to the issuance of the credit card, except as specified.

This bill would also, after certain dates, prohibit a person who accepts credit cards for the transaction of business from printing more than the last 5 digits of the credit card account number or the expiration date upon any receipt provided to the cardholder, subject to an exception.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1747.06 is added to the Civil
2 Code, to read:

3 1747.06. (a) A credit card issuer that mails an offer or
4 solicitation to receive a credit card and, in response,
5 receives a completed application for a credit card that
6 lists an address that is different from the address on the
7 offer or solicitation shall verify the change of address by
8 contacting the person to whom the solicitation or offer
9 was mailed.

10 (b) Notwithstanding any other provision of law, a
11 person to whom an offer or solicitation to receive a credit
12 card is made shall not be liable for the unauthorized use
13 of a credit card issued in response to that offer or
14 solicitation if the credit card issuer does not verify the
15 change of address pursuant to subdivision (a) prior to the
16 issuance of the credit card, unless the credit card issuer
17 proves that this person actually incurred the charge on
18 the credit card.

19 (c) When a credit card issuer receives a written or oral
20 request for a change of the cardholder's billing address
21 and then receives a written or oral request for an
22 additional credit card within ~~30~~ 10 days after the
23 requested address change, the credit card issuer shall not
24 mail the requested additional credit card to the new
25 address or, alternatively, activate the requested



1 additional credit card, unless the credit card issuer has
2 verified the change of address.

3 SEC. 2. Section 1747.9 is added to the Civil Code, to
4 read:

5 1747.9. (a) Except as provided in this section, no
6 person, firm, partnership, association, corporation, or
7 limited liability company that accepts credit cards for the
8 transaction of business shall print more than the last five
9 digits of the credit card account number or the expiration
10 date upon any receipt provided to the cardholder.

11 (b) This section shall apply only to receipts that are
12 electronically printed and shall not apply to transactions
13 in which the sole means of recording the person's credit
14 card number is by handwriting or by an imprint or copy
15 of the credit card.

16 (c) This section shall become operative on January 1,
17 2004, with respect to any cash register or other machine
18 or device that electronically prints receipts for credit card
19 transactions that is in use before January 1, 2001.

20 (d) This section shall become operative on January 1,
21 2001, with respect to any cash register or other machine
22 or device that electronically prints receipts for credit card
23 transactions that is first put into use on or after January 1,
24 2001.

